

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

IN RE:  INTERSTATE POWER AND LIGHT COMPANY	DOCKET NO. RPU-02-6
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**ORDER DOCKETING CASE AND ESTABLISHING PROCEDURAL SCHEDULE**

(Issued July 23, 2002)

On June 10, 2002, Interstate Power and Light Company (IPL) filed with the Utilities Board (Board) an application for determination of ratemaking principles pertaining to the proposed 568 MW Power Iowa Energy Center (PIEC). The proposed PIEC is a combined-cycle, natural-gas fired, combustion turbine IPL seeks to build in Cerro Gordo County near Mason City, Iowa.

This is the second ratemaking principles proceeding before the Board. The ratemaking principles proceeding is a new proceeding pursuant to Iowa Code § 476.53, which was enacted during the 2000 legislative session as part of House File 577. This section provides that when defined new electric generation is constructed by a public utility, the Board shall specify in advance, by order issued after a contested case proceeding, the ratemaking principles that will apply when the costs are included in electric rates.

IPL also filed on June 10, 2002, an application pursuant to Iowa Code chapter 476A for a generating facility certificate to construct and operate PIEC, identified as

Docket No. GCU-02-2. As part of the filing, IPL filed a motion to consolidate the generation siting and ratemaking principles proceedings. Iowa Code § 476.53(3)"d" allows these proceedings to be combined. However, IPL withdrew its request for consolidation on July 2, 2002. The Board by order issued July 12, 2002, set a procedural schedule in Docket No. GCU-02-2.

In its ratemaking principles application, IPL requested an expedited procedural schedule with a proposed hearing date in August. The Consumer Advocate Division of the Department of Justice (Consumer Advocate) filed a resistance on June 20, 2002. Consumer Advocate said the proposed schedule was unreasonably short, particularly with the schedule of contested cases pending before the Board. Consumer Advocate noted that IPL's proposed schedule allowed only about one-half of the time as the other ratemaking principles proceeding, MidAmerican Energy Company, Docket No. RPU-01-9.

IPL filed a reply on July 2, 2002. In its reply, IPL proposed a revised schedule that provided for more time than its initial proposal.

As the Board noted in its decision in Docket No. RPU-01-9, the decision of the Board in a ratemaking principles proceeding has more long-term impact than perhaps any other type of decision the Board makes. Because of the importance of these proceedings, there must be adequate time for preparation and review both for the parties and the Board. The Board will set a procedural schedule that results in a

timely resolution of this docket, while at the same time providing parties an adequate opportunity to prepare and present their respective cases.

The Board has reviewed the application and finds that it generally follows the proposed rules. The application will therefore be docketed for investigation and a procedural schedule set.

As the Board continues its review of the filing, subsequent orders for additional information may be issued. Requesting information prior to hearing allows all parties an opportunity for review so that cross-examination on the requested information need not be delayed.

**IT IS THEREFORE ORDERED:**

1. An investigation is initiated with respect to the application for determination of ratemaking principles filed by Interstate Power and Light Company on June 10, 2002. This matter is identified as Docket No. RPU-02-6, a formal contested case proceeding. The expenses reasonably attributable to this investigation will be assessed to IPL in accordance with Iowa Code § 476.10 (2001).

2. The following procedural schedule is established:

- a. The parties shall notify the Board prior to August 30, 2002, if they desire a prehearing conference.
- b. Petitions to intervene shall be filed on or before August 15, 2002.
- c. Consumer Advocate and any intervenors shall file prepared direct testimony, with underlying workpapers and exhibits, on or before

August 28, 2002. If a party references a data request in its prepared testimony, the data request shall be filed as an exhibit.

d. IPL shall file its rebuttal testimony, with underlying workpapers and exhibits, on or before September 10, 2002.

e. The parties shall file a joint statement of the issues on or before September 13, 2002.

f. All parties that choose to file a prehearing brief may do so on or before September 13, 2002.

g. A hearing shall be held beginning at 9 a.m. on September 25, 2002, for the purpose of receiving testimony and the cross-examination of all testimony. The hearing shall be held in the Board's hearing room at 350 Maple Street, Des Moines, Iowa 50319-0069. The parties shall appear one-half hour prior to the time of the hearing for the purpose of marking exhibits. Persons with disabilities requiring assistive services or devices to observe or participate should contact the Utilities Board at (515) 281-5256 in advance of the scheduled date to request that appropriate arrangements be made.

3. In the absence of objection, all underlying workpapers shall become a part of the evidentiary record of these proceedings at the time the related testimony and exhibits are entered into the record.

4. In the absence of objection, all data requests and responses referred to in oral testimony or on cross-examination that have not been previously filed shall become a part of the evidentiary record of these proceedings. The party making reference to the data request shall file an original and six copies of the data request and response with the Board at the earliest possible time.

5. In the absence of objection, when the Board has called for further evidence on any issue and the evidence is filed after the close of the hearing, the evidentiary record will be reopened and the evidence will become part of the record five days after the evidence is filed with the Board. All evidence filed pursuant to this paragraph shall be filed no later than seven days after the close of the hearing in this proceeding.

**UTILITIES BOARD**

/s/ Diane Munns

/s/ Mark O. Lambert

ATTEST:

/s/ Sharon Mayer  
Executive Secretary, Assistant to

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 23<sup>rd</sup> day of July, 2002.